

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

February 27, 2006

TO: Internal File

THRU: Peter H. Hess, Environmental Scientist/Engineering, Team Lead
Wayne Hedberg, Permit Supervisor

FROM: Jerriann Ernstsens, Ph. D., Environmental Scientist/Biologist

RE: Degasification Wells G-11 and G-12, Canyon Fuel Company, LLC., Dugout Canyon, C/007/039, Task ID #2408

SUMMARY:

The Division received an amendment that addresses the drilling of G11-G12 degasification wells at the Dugout Canyon Mine. This project would add to the G1-10 well series previously approved. The Division reviewed the submittal for the G1-G3 wells in 2003, G4-G6 wells in 2004, G7 and G8-G10 in 2005. This memo reviews the biology and archeology information for this amendment. Direct references to figures, tables, or appendices apply to the MRP volume: *Degas Methane Amendment G1-G10*. References to records from the primary MRP are noted as such.

The Dugout Mine G11-G12 drill project is in Carbon County, Utah, (Pine Canyon 7.5 Minute Quadrangle map). The legal description is Township 13 South and Ranges 13 East Sections 20.

TECHNICAL ANALYSIS:

GENERAL CONTENTS

PERMIT APPLICATION FORMAT AND CONTENTS

Regulatory Reference: 30 CFR 777.11; R645-301-120.

TECHNICAL MEMO

Analysis:

The MRP meets the requirements of R645-301-121.100 and R645-301-121.200 for the biology chapter and archeology section because the information is generally current, clear, and concise.

The MRP includes many different volumes, including the following “stand-alone” volumes (as of September 2005):

- “Dugout Canon Mine – Leach Field Addendum A-1” (LFA, March 2001)
- “Refuse Pile Amendment – Dugout Canyon Mine” (RPA, January 2003)
- “Methane Degasification Amendment” (MDA, 2003/2004).

The “stand-alone” volumes provide exclusive information, supporting documents, and maps for each proposed project.

The current degasification well amendment is an amendment for the stand-alone volume MDA 2003/2004.

Findings:

Information provided in the plan meets the minimum Permit Application Format and Contents in General Contents requirements of the regulations.

REPORTING OF TECHNICAL DATA

Regulatory Reference: 30 CFR 777.13; R645-301-130.

Analysis:

The MRP meets the requirements of R645-301-130 because qualified professionals conducted or directed the surveys and analysis for the supporting biological and archeological resource-related documents.

Findings:

Information provided in the plan meets the minimum Reporting of Technical Data in General Contents requirements of the regulations.

ENVIRONMENTAL RESOURCE INFORMATION

Regulatory Reference: Pub. L 95-87 Sections 507(b), 508(a), and 516(b); 30 CFR 783., et. al.

HISTORIC AND ARCHEOLOGICAL RESOURCE INFORMATION [Sheila Mo1]

Regulatory Reference: 30 CFR 783.12; R645-301-411.

Analysis:

The MRP meets the requirements of R645-301-411 that pertains to historic resources. The MRP (Vol. 3, App. 4-1; see Confidential Binder) includes numerous evaluations of historic resources that focus on the permit area. It also includes narratives and maps of historic resources that may be included in or eligible for inclusion in the National Register. There is proof of previous coordination efforts with the SHPO.

The Permittee provided a Class III survey (ground survey) for the proposed degas wells G9 and G10 as well as for future wells G11-G13. The results showed that there was one historic resource (42CB2435) within or adjacent to the project area. Senulis (2005) considered this site in poor condition and not eligible for the NRHP. The Division contacted the SHPO with the results of this survey; however, SHPO offered no reply for the G9 and G10 project. SHPO stated that agencies should assume SHPO's concurrence with an agency's determination if SHPO does not issue a reply (SHPO presentation at DOGM 2/2006).

The proposed G11-G12 holes are near the G9-G10 holes, but adjacent to Pace Creek. The G11 and G12 holes would occupy 1.6 and 2 acres, respectively. Most of the area for G11 and 50% of the area for G12 has already been disturbed during previous road construction. The Division determined that this drill project would have "no effect" to historic resources because:

- The Class III survey did not show positive results for these two sites.
- The SHPO provided no response for the G9-G10 project, which the correspondence included discussion of the Class III survey for the G11-G12 sites.
- Much of the disturbance for these holes would be primarily on previously disturbed land.

Findings:

Information provided in the plan meets the minimum Environmental - Historic and Archeological Resource Information requirements of the regulations.

TECHNICAL MEMO

VEGETATION RESOURCE INFORMATION_[Sheila Mo2]

Regulatory Reference: 30 CFR 783.19; R645-301-320.

Analysis:

The MRP does not meet the requirements of R645-301-321 because there is inadequate discussion of plant communities observed within the project area. The MRP contains many supporting documents on vegetation for the project and permit area. The baseline vegetation information is inadequate for assessing reclamation potential and success.

The MRP includes a vegetation survey for the G8-G12 degasification well project (Vol. Methane Degasification Amendment, Att. 3-1; Dr. Patrick Collins 2005). The survey results cover the well sites (~200 x 300 feet) and associated reference sites. NRCS provides productivity values and condition evaluations for the degas well sites (G1-G6, 9/2003 and G7, 8/2004 Vol. Methane Degasification Amendment, Att. 3-1). The MRP does not include documentation for the production values for G11-G12 or G8-G10 (approved in 2005), but includes values in Table 3-1. The Permittee must provide a citation or a letter from NRCS for the reported values (R645-301-321.200). If the Permittee is planning a PMLU change for G11 and G12, the Division will need to approve the change before the requirements for the current land use are relinquished.

The reference areas for the degasification program include (see Methane Degasification Amendment, Fig. 3-1):

- Sagebrush/Snowberry G2-G5, G7.
- Aspen/Maple/Douglas fir G1, G6, G8.
- Transitional Mt. Brush/Conifer G9-G11.
- Mt. Brush/Conifer/Pinyon-juniper G12-G13, G15.

The areas of the proposed G1, G4, G6, and G8-G12 well sites have been previously disturbed from historic logging and other development projects.

Findings:

Information provided in the plan does not meet the minimum Environmental - Vegetation Resource Information requirements of the regulations. Prior to approval, the Permittee must act in accordance with the following:

R645-301-321.200, The MRP does not include documentation for the production values for G11-G12 or G8-G10, but includes values in Table 3-1. The Permittee must provide a citation or a letter from NRCS for the reported values (R645-301-321.200). If the Permittee is planning a PMLU change for G11 and G12, the Division will need to approve the change before the requirements for the current land use are relinquished.

FISH AND WILDLIFE RESOURCE INFORMATION^[Sheila Mo3]

Regulatory Reference: 30 CFR 784.21; R645-301-322.

Analysis:

GENERAL WILDLIFE

The MRP meets the requirements of R645-301-322 because there is adequate narrative, supporting documentation, or maps on wildlife within or adjacent to the project area.

Ungulates

Plate 3-2 (Confidential Binder) illustrates that the G1-G12 degasification wells are in elk high value yearlong range and deer critical summer range. The exclusionary periods for deer are December 1 through April 15 and May 15 through July 5.

Raptors

The Annual Reports (Confidential Incoming) or Confidential Binder provides the results and maps for the most current helicopter raptor survey. The Permittee also provides results for tree-dwelling raptor species.

TECHNICAL MEMO

THREATENED, ENDANGERED, AND SENSITIVE ANIMAL/PLANT SPECIES

The MRP meets the requirements of R645-301-322 because there is adequate discussion, supporting documentation, or maps on threatened, endangered, and sensitive (TES) species that could occur within or adjacent to the project area. All supporting documents on TES plant and animal species show that there were no observations of threatened or endangered species.

TES Plants

The Permittee provides the results of a literature search on TES plant species for the degasification well project (Vol. Methane Degasification Amendment, Att. 3-1; Collins 2005). The results show that the area includes suitable habitat for canyon sweetvetch (*Hedysarum occidentale* var. *canone*). The Division knows that the permit area also provides suitable habitat for three other Carbon County listed species (Tufted cryptantha, Helenium hymenoxys, or Graham beardtongue; Environmental and Engineering Consultants 2002). Dr. Collins ground-truthed (June 2005) for TES plant species and did not observe TES species growing at any of the degas well sites or reference areas.

TES Animals

The supporting documents in the MRP show there have been no observations of TE animal species, but there may be suitable habitat for the bald eagle, black-footed ferret, and MSO. The DWR overflight surveys have not shown bald eagle nests within or adjacent to the permit area. This species may use the area during the winter months, but the area is not considered critical habitat even as wintering range (DWR, 2005). For the black-footed ferret, there have been no confirmed sightings within or adjacent to the project area (DWR, 2005).

The supporting documents also show that there may be suitable habitat for the following sensitive animal species: peregrine falcon and loggerhead shrike. The supporting documentation shows no observations for these species.

Mexican Spotted Owl (MSO)

The Permittee conducted a two-year calling survey (Vol. 3, App. 3-3; EIS, 2003/2004) for drill holes G1-G6 as well as a short reach along Pace Creek. The results for both surveys were negative for MSO individuals, but show there were northern saw-whet and great horned owls. The Division accepts the MSO calling survey for the G8-G12 degasification well project because of proximity and similarity in MSO habitat to the G1-G6 sites.

Findings:

Information provided in the plan meets the minimum Environmental - Fish and Wildlife Resource Information requirements of the regulations.

MAPS, PLANS, AND CROSS SECTIONS OF RESOURCE INFORMATION^[Sheila Mo4]

Regulatory Reference: 30 CFR 783.24, 783.25; R645-301-323, -301-411, -301-521, -301-622, -301-722, -301-731.

Analysis:

Archeological Site Maps^[Sheila Mo5]

The MRP meets the requirements of R645-301-411.141 because there are archeological maps showing known resource locations within the project area. These maps are in the Confidential Binder.

Vegetation Reference Area Maps^[Sheila Mo6]

The MRP does not meet the requirements of R645-301-323.100 because, although vegetation maps illustrate community types within the disturbed area, they do not adequately illustrate all the reference areas (R645-301-323.100).

Findings:

Information provided in the plan does not meet the minimum Environmental - Maps, Plans, and Cross Section Resource Information requirements of the regulations. Prior to approval, the Permittee must act in accordance with the following:

R645-301- 323.100, The Permittee must provide a vegetation map with all reference areas or range sites. This map will probably be best presented in two parts because the reference areas are spread out over an extensive area. The map must be presented such that it would be easy to locate reference areas. This map will be incorporated in the main MRP volume. • The Permittee also needs to update the project specific vegetation maps (Vol. Methane Degasification Amendment, Figs. 3-1 and 3-2) such that they provide all four reference areas.

TECHNICAL MEMO

OPERATION PLAN

PROTECTION OF PUBLIC PARKS AND HISTORIC PLACES^[Sheila Mo7]

Regulatory Reference: 30 CFR 784.17; R645-301-411.

Analysis:

There are no known public parks or historic places within the project area.

Findings:

Information provided in the plan meets the minimum Operations - Protection of Public Parks and Historic Places requirements of the regulations.

FISH AND WILDLIFE INFORMATION

Regulatory Reference: 30 CFR Sec. 784.21, 817.97; R645-301-322, -301-333, -301-342, -301-358.

Analysis:

The MRP does not meet the requirements of R645-301-333, R645-301-342, or R645-301-358 because the MRP does not provide adequate information on TES or discussion concerning protection and enhancement during construction and reclamation phases.

Protection and Enhancement Plan ^[Sheila Mo8]

The Division, in consultation with DWR, considers that this drill project would not likely impact ungulates, raptors, or their habitat because:

- The Permittee would conduct raptor surveys every year the wells are in operation (Vol. 1, Sec. 322, p. 3-13).
- The Permittee would initiate projects outside of exclusionary periods for ungulates and raptors.

Ungulates

The G8-G12 degasification wells are in elk high value yearlong range and deer critical summer range. The Permittee must comply with exclusionary periods during construction and reclamation phases. The general exclusionary periods are December 1 through April 15 and May 15 through July 5.

Raptors

The Permittee would conduct raptor fly-over surveys every year the wells are in operation (Vol. 1, Sec. 322, p. 3-13).

The Permittee would conduct ground surveys for goshawks and northern saw-whet owls in areas with suitable habitat and areas planned for mining facilities. The G8-G12 sites are not within dense canopy habitat for the goshawk or within Douglas fir, mixed conifer habitat for Northern saw whet owl (NSO). DWR considers the 2004 NSO mitigation project adequate for enhancing the area, at this time.

The Permittee must comply with exclusionary periods during construction and reclamation phases. The general exclusionary periods are February 1 through July 15.

Endangered and Threatened Species [Sheila Mo9]

The Division cannot determine if the degas drill project would have an adverse affect to TE species because there is not adequate information concerning water consumption values in the MRP.

The Division, however, determined that there would not likely be an adverse affect on the other TE species or their habitat listed for Carbon County because:

- There have been no observations of TE plant species during vegetation surveys.
- There were no MSO observed in the area during the calling survey.
- The bald eagle is an occasional user of the area, but typically only in the winter when there is no drilling construction.
- There have been no recent sitings of prairie dog or black-footed ferret.
- There is no habitat to support western yellow-billed cuckoo.

Colorado River Fish

The February 2005 estimated annual water budget is a net gain of 303.1-acre-ft. The value includes the Pace fan and SITLA projects, but not the G11-G12 degas well project or any additional mining operation. The Permittee must update the MRP from 303.1-acre ft. to a value that includes water consumption values for the entire mining operation. The Permittee must replace the project-specific water consumption information from the Methane Degasification Volume (p. 3-5) with the same water consumption discussion provided in the MRP. The Division is currently developing a worksheet that a Permittee may use to calculate water budget values. The Permittee should contact the Division to see if this worksheet is available.

TECHNICAL MEMO

Bald and Golden Eagles [Sheila Mo10]

There were two golden eagle nests (9 and 10) within or adjacent to the drill site G8. The Permittee would initiate drilling of G8-G10 after the raptor exclusionary period. The 2005 raptor survey results showed that there were no nests within the 0.5-mile buffer zone for drill sites G9 and G10.

Wetlands and Habitats of Unusually High Value for Fish and Wildlife[Sheila Mo11]

There are no wetlands near the G1-G10 degasification wells.

Findings:

Information provided in the plan does not meet the minimum Operations - Fish and Wildlife Information requirements of the regulations. Prior to approval, the Permittee must act in accordance with the following:

R645-301-333, The February 2005 estimated annual water budget is a net gain of 303.1-acre-ft. The value includes the Pace fan and SITLA projects, but not the G11-G12 degas well project or any additional mining operation. The Permittee must update the MRP from 303.1-acre ft. to a value that includes water consumption values for the entire mining operation. The Permittee must replace the project-specific water consumption information from the Methane Degasification Volume (p. 3-5) with the same water consumption discussion provided in the MRP. The Division is currently developing a worksheet that a Permittee may use to calculate water budget values. The Permittee should contact the Division to see if this worksheet is available.

VEGETATION[Sheila Mo12]

Regulatory Reference: R645-301-330, -301-331, -301-332.

Analysis:

The MRP meets the requirements of R645-301-330, R645-301-331, and R645-301-332 because the Permittee would disturb the smallest area as possible and apply contemporaneous reclamation practices when applicable.

Findings:

Information provided in the plan meets the minimum Operations - Vegetation requirements of the regulations.

RECLAMATION PLAN

GENERAL REQUIREMENTS^[Sheila Mo13]

Regulatory Reference: PL 95-87 Sec. 515 and 516; 30 CFR Sec. 784.13, 784.14, 784.15, 784.16, 784.17, 784.18, 784.19, 784.20, 784.21, 784.22, 784.23, 784.24, 784.25, 784.26; R645-301-231, -301-233, -301-322, -301-323, -301-331, -301-333, -301-341, -301-342, -301-411, -301-412, -301-422, -301-512, -301-513, -301-521, -301-522, -301-525, -301-526, -301-527, -301-528, -301-529, -301-531, -301-533, -301-534, -301-536, -301-537, -301-542, -301-623, -301-624, -301-625, -301-626, -301-631, -301-632, -301-731, -301-723, -301-724, -301-725, -301-726, -301-728, -301-729, -301-731, -301-732, -301-733, -301-746, -301-764, -301-830.

Analysis:

There are discussions throughout the MRP on ripping, gouging, and incorporating hay during gouging, or mulching. Areas recommended for fertilizer application would receive fertilizer by cyclone spreader, hydroseeded, or other equipment. The reclamation plan does not include irrigation. The Division does not anticipate the necessity to irrigate as long as the Permittee uses water-harvesting methods, such as gouging.

Findings:

Information provided in the plan meets the minimum Reclamation - General Requirements of the regulations.

POSTMINING LAND USES^[Sheila Mo14]

Regulatory Reference: 30 CFR Sec. 784.15, 784.200, 785.16, 817.133; R645-301-412, -301-413, -301-414, -302-270, -302-271, -302-272, -302-273, -302-274, -302-275.

Analysis:

The postmining land uses are livestock and wildlife grazing and reestablishment of preexisting roads.

Findings:

Information provided in the plan meets the minimum Reclamation - Postmining Land Uses requirements of the regulations.

TECHNICAL MEMO

PROTECTION OF FISH, WILDLIFE, AND RELATED ENVIRONMENTAL VALUES^[Sheila Mo15]

Regulatory Reference: 30 CFR Sec. 817.97; R645-301-333, -301-342, -301-358.

Analysis:

The MRP meets the requirements of R645-301-342 and R645-301-358 because there are adequate enhancement and protection measures for fish, wildlife, and habitat during the reclamation or post mine phases.

The Permittee considers that reclamation of the well sites would enhance wildlife habitat for the area because these sites have been previously disturbed. The seed mix would provide some of the same species as those in adjacent, undisturbed areas.

Findings:

Information provided in the plan meets the minimum Reclamation - Protection of Fish, Wildlife, and Related Environmental Values requirements of the regulations.

CONTEMPORANEOUS RECLAMATION^[Sheila Mo16]

Regulatory Reference: 30 CFR Sec. 785.18, 817.100; R645-301-352, -301-553, -302-280, -302-281, -302-282, -302-283, -302-284.

Analysis:

Within the constraints of seasonal weather, the Permittee would reclaim the well sites in two phases: Phase I - Contemporaneous reclamation (described in the reclamation section) and Phase II - Final reclamation.

Findings:

Information provided in the plan meets the minimum Reclamation - Contemporaneous Reclamation requirements of the regulations.

REVEGETATION

Regulatory Reference: 30 CFR Sec. 785.18, 817.111, 817.113, 817.114, 817.116; R645-301-244, -301-353, -301-354, -301-355, -301-356, -302-280, -302-281, -302-282, -302-283, -302-284.

Analysis:

Revegetation: General Requirements[Sheila Mo17]

The MRP meets the requirements of R645-301-330, R645-301-331, and R645-301-332 because there is adequate reclamation plan or discussion of how reclamation measures would meet the performance standards.

The Permittee would reclaim the well sites in two phases.

- Phase I - Contemporaneous reclamation:
Apply final reclamation procedures to site-specific areas no longer needed for operations.
 - ◆ Grade.
 - ◆ Rip to 18-24”.
 - ◆ Apply topsoil and leave in roughened state by gouging.
 - ◆ Hydroseed the final seed mix.
 - ◆ Apply wood fiber mulch.
- Phase II - Final reclamation:
Apply final reclamation procedures to the remaining disturbed areas no longer needed for operations.
 - ◆ Plug the wells.
 - ◆ Prepare the site.
 - ◆ Hydroseed.

Reclamation plan for the well sites includes hydroseeding with slurry that contains a small amount of fiber. The seed mix (Vol. Methane Degasification Amendment, Table 3-2) is the same for both Phase I and II for the well site reclamation. The vegetation survey results (Vol. Methane Degasification Amendment, Att. 3-1) were positive for *Bromus carinatus* (California brome), but not for *Bromus marginatus* (mountain brome). The Permittee may want to request California brome instead of mountain brome depending on availability and cost.

The seed mix provides a vegetative cover composed of native species (Welsh considers Kentucky Bluegrass a native). The goals are to quickly stabilize the disturbed site and provide compatible browsable and foragable habitat for the post mine land use. The Permittee would fence the well sites to prevent grazing until bond release.

Revegetation: Timing[Sheila Mo18]

The Permittee would seed the prepared areas most likely in the fall.

TECHNICAL MEMO

Revegetation: Mulching and Other Soil Stabilizing Practices[Sheila Mo19]

Reclamation plan includes ripping the area to a roughened state and applying wood fiber mulch at a rate of 2,000 pounds per acre and tackifier at a rate recommended by the manufacturer.

Revegetation: Standards For Success[Sheila Mo20]

The Permittee would follow the sampling requirements and analysis identified in the Division's "Vegetation Information And Monitoring Guidelines". The Permittee would use reference areas for the standards of success for the degas well sites.

The Permittee would use husbandry practices approved by the Division as needed.

Findings:

Information provided in the plan meets the minimum Reclamation - Revegetation requirements of the regulations.

RECOMMENDATIONS:

Do not approve the amendment.